



Irish Life Weekly Investment Bulletin

The week that was – WEEK 43 (ending 21/10/2016)

“All that's different about me is that I still ask the questions most people stopped asking at age five.” – Albert Einstein

Irish residential property prices rise by 7.2% in the year to August – According to new data by the Central Statistics Office (CSO), prices increased by 7.2% between August 2015 and August 2016 but are still 33.7% below their 2007 peak. The average price nationwide was €257,214, while the Dublin average was €381,128.

ECB leaves rates unchanged and no QE extension announcement – The European Central Bank left monetary policy unchanged at its 20th October meeting and Mario Draghi said that any decision about an extension of its quantitative easing program would be left until December saying it would not end abruptly.

Global stock market up 0.7% on the week – The World stock market (MSCI AC World) had a 0.72% return from 14th October to 21st October after some more reassuring news on China's economy in the third quarter and oil prices rose to a 15-month high. The Volatility Index (VIX) fell from 15.2 to 14 over the week.

U.K. inflation hits highest level for 2 years and unemployment stable at 11-year low – The Office for National Statistics reported that inflation rose 1% in September, the fastest annual rate in two years. Matching an 11-year low, the U.K. unemployment rate held steady at 4.9% in the three months ended 31 August.

Chinese economy continues to stabilise – The Chinese economy continued to grow at 6.7% pa in the third quarter, unchanged from the prior two quarters. The economy appears to have stabilised after the turbulence in late 2015 and early this year, but some economists say it's being driven by an unsustainable credit surge.

Oil price hits 15-month high – Oil rose to its highest price since July 2015 as crude jumped on surprise data from the Energy Information Administration reporting a 5.25 million barrel decline in U.S. crude supplies. Also contributing to the increase was Saudi Arabia saying many nations are willing to join OPEC in cutting output.

The Story of the week: More men are shaving their legs. In a recent online poll by Men's Health, carried out on its Facebook page, nearly half of the respondents said they trimmed their leg hair. The only saving grace is that it's probably a self-selecting sample group – Men's Health readers probably aren't representative of manhood en masse. The replies and %'s were as follows: "That's weird. I would never touch my leg hair." – 51.6%; "I don't shave clean but I do use a trimmer to cut it down." – 33.1% and "It's not weird. I shave my legs regularly." – 15.3%.

DISCLOSURE: Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. While Irish Life Investment Managers uses reasonable efforts to ensure that the information contained in this document is current, accurate and complete at the date of publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. Irish Life Investment Managers therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information contained in this document. This material is for information only and does not constitute an offer or recommendation to buy or sell any investment, or subscribe to any investment management or advisory service. The performance shown represents past performance and does not guarantee future results. Past performance is not indicative of future results.

Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 21/10)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-9.9
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	16.4
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-3.2
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	6.6
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	5.0
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-9.7
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	10.6
MSCI AC World	-8.5	13.2	22.9	7.2	-0.7	3.0
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
U.S.	1.9	1.7	3.0	2.2	2.2	1.7
German	1.8	1.4	1.9	0.5	0.6	0.0
UK	2.0	1.9	3.0	1.9	1.9	1.1
Japan	1.0	0.7	0.7	0.3	0.2	-0.1
Ireland	8.4	4.5	3.4	1.3	1.1	0.5
Italy	7.1	4.6	4.1	2.1	1.6	1.4
Greece	31.7	12.7	8.2	9.6	7.9	8.3
Portugal	13.4	6.9	6.1	2.7	2.5	3.1
Spain	5.1	5.4	4.1	1.6	1.7	1.1
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/€)	1.30	1.31	1.37	1.21	1.09	1.09
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.89
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.22
IPD All Property Return (%)	2011	2012	2013	2014	2015	2016
Ireland	-2.4	3.1	12.7	40.1	25.0	6.3 (to end of Q2)
U.K.	8.1	2.7	10.7	17.8	13.1	2.5 (to end of Q2)
U.S.	14.5	5.3	11.4	11.2	12.1	4.1 (to end of Q2)

*Past performance is not a reliable guide to future performance